

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

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| _____ |) | |
| FM HOLDINGS, LLC f/k/a |) | |
| FORWARDMARKET, LLC, |) | |
| |) | |
| Plaintiff, |) | |
| |) | Civ. No. 05-11400-MLW |
| v. |) | |
| |) | |
| BILL MAHONEY and |) | |
| STEPHEN GREGORIO, |) | |
| |) | |
| Defendants. |) | |
| _____ |) | |

JOINT STATUS REPORT

The parties respectfully submit this joint status report pursuant to the Court's June 11, 2007 Order. On June 8, 2007, the parties advised the Court that Defendants intended to commence litigation against Excelergy Corporation, Defendants' former employer, and its successor company, Excelergy North America LLC ("ENA"), for indemnification as to the costs of the present litigation and that Defendants were disputing the position of AIG Domestic Claims, Inc. ("AIGDC") concerning its denial of coverage for this matter. The parties thus requested that the Court continue the stay of proceedings, which the Court granted. A status conference is presently scheduled for September 20, 2007.

Defendants have filed a complaint for indemnification against Excelergy Corporation and ENA on June 27, 2007, and that case is presently pending in the Business Litigation Section of Suffolk Superior Court. In addition, the parties have scheduled a joint mediation with AIGDC for October 3, 2007. The parties have invited Excelergy Corporation and ENA to attend the mediation but have not yet received a positive response.

The parties respectfully request that the Court continue the September 20, 2007 motion conference until shortly after the October 3, 2007 mediation date, at which point the parties will report to the Court as to whether the case has been resolved.

Dated: September 10, 2007

Plaintiff FM Holdings, LLC
By its attorneys,

Defendants Bill Mahoney and
Stephen Gregorio
By their attorneys,

/s/ Sanford F. Remz

Sanford F. Remz (BBO #538300)
Kevin S. Murphy (BBO #638335)
Yurko, Salvesen & Remz, P.C
One Washington Mall, 11th Floor
Boston, MA 02108
(617) 723-6900

/s/ Michael S. Shin

Timothy C. Blank (BBO #548670)
Michael Shin (BBO #658134)
Matthew M. Lyons (BBO #5657685)
Dechert LLP
200 Clarendon Street, 27th Floor
Boston, MA, 02116
(617) 728-7100